

North Dakota

Office of State
Tax Commissioner

2000 Individual income tax

forms and instructions



Rick Clayburgh
Tax Commissioner

This booklet contains:

Form 37-S (Short form)
Adjustment Schedule (Form 37-S)
Form 37 (Long form)
Instructions
Schedule 2
Schedule 3
Schedule 4
Schedule NR

Check out our electronic filing options!
They're fast, easy, and convenient.



See page 2 inside for details...



*See instructions for Form 37-S,
line 13, on page 7...*



Tax Professional

Ask your tax preparer about
e-filing your state return!



Software

Electronically file from home
with software you can buy!



On-line

Or, try the convenience of an
Internet on-line service!

Get your refund
faster by having it
deposited directly
into your bank
account!

For complete information
on e-filing your North
Dakota return, go to
www.state.nd.us/taxdpt
and click on
Electronic Filing



Please remove label and attach it to your

A message from Tax Commissioner Rick Clayburgh . . .

Dear Fellow Taxpayer:

Providing the very best customer service is our top priority in the Office of State Tax Commissioner. In line with that, we offer several electronic services to make your tax filing more convenient than ever. Fast and easy to use, the following two electronic services are available to you:

- **Electronic filing**

Last year, thousands—*that's right, thousands!*— of taxpayers enjoyed the ease of electronic filing (or e-filing). If you haven't used e-filing yet, we hope you will try it this year. E-filing your return is much more efficient than filing on paper—both for you and for us. It ensures accuracy and helps avoid delays, and it helps us get your refund to you as quickly as possible. If you are interested in e-filing, see page 2 of this booklet for where to get more information.

- **Refund direct deposit**

If you have a refund this year, I encourage you to use direct deposit. At your direction we can electronically deposit your refund directly into your bank account. Use of direct deposit is faster and more secure than issuing a paper check, and it saves extra steps for you. See the instructions for line 13, Form 37-S, on page 7 of this booklet for how to take advantage of this option.

Finally, be sure to enter your social security number (and your spouse's social security number, if applicable) in the spaces provided on your return. This is important to ensure the efficient processing of your return.

As always, if you need forms, or have a question or concern, I encourage you to contact our office. We offer a variety of ways for you to contact us—see the back cover of this booklet.

Thank you,



RICK CLAYBURGH
TAX COMMISSIONER

This booklet contains the following forms—

- *Form 37-S (Short form)*
- *Adjustment Schedule (Form 37-S)*
- *Form 37 (Long form)*
- *Schedule 2*
- *Schedule 3*
- *Schedule 4*
- *Schedule NR*

If you need another form or document mentioned in this booklet, you may download it from our Web site at www.state.nd.us/taxdpt, or you may call or write for one—see the back cover of this booklet for the numbers and address.

Privacy Act information. In compliance with the Federal Privacy Act of 1974 (Public Law 93-579), the disclosure of the individual's social security number on the North Dakota income tax return and any required schedules is mandatory and is required under subsections 1 and 7 of North Dakota Century Code § 57-38-31. An individual's social security number is used as an identification number by the North Dakota Office of State Tax Commissioner for file control and recordkeeping purposes, and for cross-checking the individual's files with those of the Internal Revenue Service.

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Use tax reporting and payment requirement

Did you purchase goods from outside North Dakota or outside the U.S.?

If you did, you may have to pay North Dakota sales tax (and applicable city sales tax) on those goods.

Technically, what you have to pay is called a use tax. It applies to the same goods which are subject to North Dakota's sales tax. The use tax applies whether you purchase goods in person at an out-of-state location, or by mail, phone or the Internet.

If you didn't pay any sales tax, or you paid tax to another country, at the time of purchase, you must pay the use tax at North Dakota's sales tax rate on the total purchase. Or, if you did pay sales tax to another state at the time of purchase, but you paid less than what you would have paid in North Dakota, the difference is the amount of use tax you must pay. If applicable, city sales taxes must be included in the calculation.

If this applies to you, you must complete and file a North Dakota Use Tax Return. To obtain one, call the North Dakota Sales and Special Taxes Division at **(701) 328-3389**, or download it from our Web site at www.state.nd.us/taxdpt.

2000 **Information** affecting you and your taxes

Developments, updates and items of interest

Direct deposit = faster refund

If you use Form 37-S (Short form) and have a refund coming, you may request that your refund be deposited directly into your bank account. This option gets your refund to you in a more secure and fast manner. For information on how to direct deposit your refund, see the instructions to line 13 of Form 37-S on page 7.

New Schedule RZ available for renaissance zone tax incentives

The 1999 North Dakota Legislature passed legislation authorizing a city to apply to the state for designation of part of the city as a renaissance zone. It is a tool that cities can use to redevelop and revitalize a portion of their communities to attract and retain new residents and businesses. The legislation provides income exemptions and tax credits to individuals who make qualifying investments in a renaissance zone.

New Schedule RZ

For the 2000 tax year, a new form will be required of individuals claiming any of the five income tax incentives provided by the legislation. The new form, called *Schedule RZ, Renaissance Zone Act exemptions and credits*, must be completed and attached to the North Dakota individual income tax return. For details, obtain Schedule RZ from the Office of State Tax Commissioner.

Established zones

As of the date this booklet went to print, five North Dakota cities had established a renaissance zone. The cities of Fargo, Casselton, West Fargo, Valley City, and Jamestown have received approval of their zones from the North Dakota Division of Community Services.

Tax incentives

For more information on the available tax incentives, obtain the guideline *North Dakota Renaissance Zone Tax Incentives*. For individuals, the tax incentives are available on both Form 37-S and Form 37.

Division of Community Services

The North Dakota Division of Community Services is responsible for the general administration of a zone. For information on the establishment and administration of a zone, contact the Division of Community Services as follows:

Phone

(701) 328-2094

Web site

www.state.nd.us/dcs

Address

ND Division of Community Services
State Capitol, 14th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0170

Booklet changes to note for 2000 tax year

Except for a number of minor changes to the individual income tax forms for 2000, they are essentially the same as last year's forms. The instructions to the forms, however, underwent a face-lift for 2000, moving from a two-column layout to a three-column layout to improve readability. In addition, there were a number of changes to the text of the instructions to improve their understandability. Following are changes of special note this year.

"New" Schedule NR

Schedule NR—a schedule that all nonresident filers must use—actually has been around since 1989. However, in the individual booklet, it has not “looked” like a formal schedule, having been confined to the newsprint-quality pages along with the instructions. In addition, only one Schedule NR has been provided in the booklet. For 2000, two Schedule NR forms are included in this booklet, on the same quality paper as the other forms and perforated for easy removal.

New reciprocity filing procedure for Minnesota and Montana residents

A new procedure for filing a North Dakota income tax return has been established for Minnesota and Montana residents covered by the reciprocity agreements with North Dakota. The streamlined procedure applies

only to those Minnesota and Montana residents whose *entire* gross income from North Dakota sources qualifies for reciprocity treatment. If they have gross income from North Dakota sources not covered by reciprocity, they must file using the filing procedures prescribed for nonresidents in general. The new procedure may be found under **Income tax reciprocity: Minnesota and Montana** on page 3 of this booklet.

Worksheet for Form 37-S filers who use Federal Form 1040

For Form 37-S filers who use Federal Form 1040, a worksheet is provided in the instructions for calculating the federal income tax liability to be entered on line 1, Form 37-S. (See page 6)

A number of changes were made to the worksheet to simplify it for the majority of the filers who need to use it. Two of the federal taxes that must be included in the calculation—namely, the tax from Federal Form 4970 and the Section 72(m)(5) excess benefits tax—were removed from the worksheet because they do not apply to most filers, and their placement in the main flow of the worksheet caused unnecessary confusion. A footnote was added to the worksheet explaining that these federal taxes still must be accounted for by those filers who have them—the taxes must be included in the total amount shown on line E of the worksheet.

Determining domicile for North Dakota tax purposes

Our office fields many questions on residency. North Dakota income tax law defines a resident to be (1) an individual who is domiciled in North Dakota or (2) an individual who is not domiciled in North Dakota but who maintains a permanent place of abode and spends more than seven months of the tax year in North Dakota. To help individuals determine whether or not they are considered residents of North Dakota, the general instructions covering filing requirements have been revised to include a general explanation of domicile and the statutory 7-month rule. See **Definition of resident** on page 2 of this booklet.

2000 **Individual income tax** instructions

General and specific line instructions for Form 37-S and Form 37

General information

This section provides information on the filing requirements for individuals, the procedures for obtaining an extension, the estimated tax requirements, and other general information.

Who must file a return

Full-year resident

If you were a North Dakota resident for the entire tax year and you are required to file a federal individual income tax return, you must file a North Dakota individual income tax return. This applies even though you may have worked outside North Dakota (including employment overseas) during the tax year.

Definition of resident

You are a resident of North Dakota if you are domiciled in North Dakota or meet the statutory 7-month rule. Both of these criteria are explained in the following two paragraphs. Wherever the term “resident” appears on the individual income tax forms or in the instructions, it is referring to an individual who meets either of these criteria.

Domicile. For North Dakota individual income tax purposes, domicile is your residence by law. It is commonly referred to as your legal residence. It generally means the place that is your permanent home to which you always intend to return whenever absent from it. If you may have more than one physical place of abode, only one of them may be your domicile. Domicile is based on each individual’s facts and circumstances as well as the individual’s intent.

Statutory resident. If you are not domiciled in North Dakota, you are deemed by law to be a full-year resident of North Dakota if you maintain a permanent place of abode in North Dakota and spend more than 210 days of the tax year in North Dakota. A permanent place of abode means a house, apartment, or other dwelling containing cooking and bathroom facilities that is suitable for year-round living and is maintained on a permanent or indefinite basis. This rule does not apply to individuals on active duty in the U.S. armed forces who are domiciled in another state, nor does it apply to Minnesota or Montana residents covered under the income tax reciprocity agreements with those states.

Resident U.S. armed forces personnel

If you are a North Dakota resident serving in the U.S. armed forces and you are required to file a federal individual income tax return, you must file a North Dakota individual income tax return. This applies even though you were stationed outside North Dakota during the tax year. As a North Dakota resident, your income from all sources is subject to North Dakota income tax to the same extent that it is taxable on your federal return.

Full-year nonresident

You are a full-year nonresident if you were not a resident of North Dakota for any part of the tax year. If you were a nonresident of North Dakota for the entire tax year, you must file a North Dakota individual income tax return if **both** of the following apply:

- You are required to file a federal income tax return.
- You derived gross income from North Dakota sources during the tax year. See the box on page 3 for what is included in gross income from North Dakota sources.

Nonresident U.S. armed forces personnel

If you are a nonresident of North Dakota serving in the U.S. armed forces and you are stationed in North Dakota, your military compensation is not subject to North Dakota income tax. If your only gross income from North Dakota sources is your military compensation, you do not have to file a North Dakota individual income tax return. However, if you have other types of gross income from North Dakota sources, you must file a North Dakota individual income tax return if you meet the nonresident filing requirement.

Minnesota or Montana resident

If you are a Minnesota resident, you do not have to file a North Dakota individual income tax return if **both** of the following apply:

- Your only gross income from North Dakota sources was compensation for personal or professional services.
- You returned to your home in Minnesota at least once each month during the time you worked in North Dakota.

You have two ways to file— on paper or electronically !

You may file your North Dakota individual income tax return on paper using the forms in this booklet, or you may file your return using our electronic filing option.

Electronic filing option

North Dakota participates in the IRS’s Federal/State Electronic Tax Filing Program. Through this program, you may electronically file both your federal and North Dakota returns. To see if you are eligible to use this option, ask an Authorized IRS *e-file* Provider or go to our Web site at www.state.nd.us/taxdpt. If eligible, you can take advantage of it in one of the following three ways:

• ***Ask your tax preparer***

If your tax preparer is an Authorized IRS *e-file* Provider, your preparer can electronically file your North Dakota return. Many Volunteer Income Tax

Assistance (VITA) or Tax Counseling for the Elderly (TCE) sites set up by the IRS are Authorized IRS *e-file* Providers.

• ***Off-the-shelf software***

With a computer, Internet access, and the right software, you can do it yourself. Ask your local software retailer about the available software programs offering IRS’s Federal/State Electronic Filing Program. Make sure the program supports North Dakota.

• ***Internet on-line service***

Go to the Internet and check out the available on-line electronic filing services that offer the IRS’s Federal/State Electronic Tax Filing Program. For links to the available services, go to our Web site at www.state.nd.us/taxdpt and click on **Electronic Filing > Individual Income Tax > How can I file my return electronically?**

If you are a Montana resident, you do not have to file a North Dakota individual income tax return if your only gross income from North Dakota sources was wages.

See **Income tax reciprocity: Minnesota and Montana** on this page for more information about reciprocity.

Nonresident alien

If you are a nonresident alien of the United States and you derived gross income from North Dakota sources, you must file a North Dakota individual income tax return. Except where an income tax treaty between the United States and a foreign country specifically exempts income from state taxation, income tax treaties between the U.S. and foreign countries do not apply for North Dakota income tax purposes. Therefore, you may have to pay North Dakota income tax on income derived from North Dakota sources even though the income is exempt from U.S. income tax because of a treaty. For complete details on the rules applicable to nonresident aliens of the U.S., including the instructions on how to complete the North Dakota return, obtain the *Income Tax Guideline: Taxation of Nonresident Aliens*.

Part-year resident

You are a part-year resident of North Dakota if you were a resident of North Dakota for only part of the tax year. This applies if you moved into or out of North Dakota during the tax year and the move constituted a change in your domicile (legal residence). For an explanation of domicile, see **Definition of resident** under **Full-year resident** on page 2.

If you are a part-year resident, you must file a North Dakota individual income tax return if **both** of the following apply:

- You are required to file a federal individual income tax return.
- You derived gross income from **any** source inside or outside North Dakota while you were a resident of North Dakota, or you derived gross income from North Dakota sources while you were a nonresident of North Dakota. See the box on this page for what is included in gross income from North Dakota sources.

Filing procedure for individuals who moved into North Dakota

If you moved into North Dakota during the tax year, you may complete your return using one of two methods: the **Resident method** or the **Nonresident method**. (Note: If you did not pay income tax to any other state during the tax year, use the **Nonresident method**.)

Gross income from North Dakota sources (for nonresidents and part-year residents only)

For nonresidents and part year residents, gross income from North Dakota sources includes:

- Compensation for services performed in North Dakota, such as wages, tips, commissions, and fees.
- Income from tangible property in North Dakota, such as rents, royalties, and gain from the sale or exchange of the property.
- Income from a sole proprietorship, partnership, S corporation, or other trade or business carried on in North Dakota.
- Income from an estate or trust, but only to the extent the income is derived from tangible property or a trade or business in North Dakota.
- Income from gambling activity carried on in North Dakota.

Exceptions

Gross income from North Dakota sources **does not** include military pay, interest, dividends, pensions, annuities, gain from the sale or exchange of intangible property, or compensation for services performed in North Dakota by an individual who performs regularly assigned duties in more than one state for a railroad or other interstate motor carrier (as defined by Federal law in 49 U.S.C. 11504).

Note: *Interest, dividends, gain from the sale or exchange of intangible property, and other income from intangible property are included in gross income from North Dakota sources to the extent they are derived from a sole proprietorship, partnership, S corporation or other trade or business carried on in North Dakota..*

• Resident method

1. Check the “Resident” box at the top of the return.
2. Complete the return according to the instructions for resident filers. Do not exclude any non-North Dakota income in this step—calculate the tax on all of your income regardless of its source.
3. Complete Schedule 4 (included in this booklet) to calculate a credit for income tax paid to another state. If you paid income tax to more than one state, complete a separate Schedule 4 for each state. Subtract the credit from the tax calculated in step 2.

• Nonresident method

1. Check the “Nonresident” block at the top of the return.
2. Complete the return according to the instructions for nonresident filers. Under this method, the tax is calculated on only the income from North Dakota sources.

Filing procedure for individuals who moved out of North Dakota

If you moved out of North Dakota during the tax year, you must check the “Nonresident” box at the top of the return and complete the return according to the instructions for nonresident filers.

Native American exemption

If you are a Native American, you are not subject to North Dakota income tax and do not

have to file a North Dakota income tax return if **all** of the following apply:

- You are enrolled as a member of a federally-recognized Indian tribe.
- You live on the Indian reservation where enrolled.
- You derive all of your income from sources on the Indian reservation where enrolled.

If any of the above criteria are not met, you may be subject to North Dakota income tax. For more information, obtain the *Income Tax Guideline: Income Taxation of Native Americans*.

Income tax reciprocity: Minnesota and Montana

North Dakota has income tax reciprocity agreements with the states of Minnesota and Montana. If certain conditions in the agreements are met, a resident of North Dakota does not have to pay income tax on compensation received for work performed in Minnesota or Montana, and a resident of Minnesota or Montana does not have to pay income tax on compensation received for work performed in North Dakota. The conditions for exemption and the procedures for filing under each agreement are explained in the following paragraphs.

Minnesota and Montana residents

If you are a resident of Minnesota, and if you maintain a permanent home in Minnesota to which you return at least once each month during the time you work in North Dakota, the compensation that you receive for personal or professional services performed in North Dakota is not taxable by North Dakota.

If you are a resident of Montana, wages that you receive for work performed in North Dakota are not taxable by North Dakota.

If your employer withheld North Dakota income tax from wages covered under reciprocity, you must file a North Dakota individual income tax return at the end of the tax year to obtain a refund of the amount withheld. If this applies to you and you do not have any other gross income from North Dakota sources, obtain Form 37-S (Short form) and complete it as follows:

1. Fill in lines A and B as instructed on the face of the form.
2. Write "Reciprocity" and the initials "MN" or "MT" (whichever applies) on the dotted line to the left of the box on line 1.
3. Enter -0- on lines 1 through 4.
4. Fill in the amount of North Dakota income tax withheld on lines 5, 7, 8, and 12.
5. Attach a copy of the Form W-2(s) showing North Dakota withholding and a complete copy of your federal income tax return.

If your wages are covered by reciprocity and you do not want your employer to withhold North Dakota income tax from them, you must complete and give to your employer a North Dakota Form NDW-R. Ask your employer for this form.

North Dakota residents

If you are a resident of North Dakota, and if you maintain a permanent home in North Dakota to which you return at least once each month during the time you work in Minnesota, the compensation that you receive for personal or professional services performed in Minnesota is not taxable by Minnesota. Also, wages that you receive for work performed in Montana while a resident of North Dakota are not taxable by Montana.

If you received wages covered by reciprocity and your employer withheld Minnesota or Montana income tax from them, you must file an income tax return with Minnesota or Montana to obtain a refund of the amount withheld.

If your wages are covered by reciprocity and you do not want your employer to withhold Minnesota or Montana tax from them, you must give your employer a properly completed Minnesota Form MW-R or Montana Form NR-2, whichever applies. For assistance and forms, contact:

- Minnesota Dept. of Revenue
Taxpayer Information Division
St. Paul, MN 55146-4450
Phone: 1-800-652-9094
- Montana Dept. of Revenue
Income Tax Division
Helena, MT 59604
Phone: (406) 444-6900

When and where to file

If you are filing on a calendar year basis—January 1 through December 31—you must file your 2000 North Dakota individual income tax return on or before April 15, 2001. If you are filing on a fiscal year basis, you must file your 2000 North Dakota individual income tax return on or before the 15th day of the fourth month following the close of the fiscal tax year. If the due date falls on a Saturday, Sunday or holiday, you have until the next day that is not a Saturday, Sunday, or holiday to file your return.

Mail your return and all required attachments in the preprinted envelope provided in this booklet. If you don't have a preprinted envelope, mail your return to:

Office of State Tax Commissioner
State Capitol
600 E. Boulevard Ave., Dept. 127
Bismarck, North Dakota 58505-0550

Extension of time to file

You may obtain an extension of time to file your North Dakota individual income tax return by obtaining either a federal extension or a North Dakota extension.

Federal extension

If you obtain an extension of time to file your federal return, it will be recognized for North Dakota purposes. This includes the automatic 2-month extension to June 15 allowed for being outside the U.S. on April 15. You do not have to file a separate extension form or notify the Office of State Tax Commissioner that you have applied for a federal extension. Attach a copy of the federal extension form that you filed with the IRS to your North Dakota return. If the automatic 2-month extension applies, attach a copy of the same statement the IRS requires you to attach to your federal return. Check the "Extension" box at the top of your return.

North Dakota extension

If you do not obtain a federal extension, you may apply for a North Dakota extension by completing and filing Form F-101. This is not an automatic extension—you must have good cause to request a North Dakota extension. You must apply early enough to obtain approval prior to the due date of your return.

Attach a copy of the approved extension form to your return. Check the "Extension" box at the top of your return.

Extension interest

If you file your North Dakota return on or before the extended due date and you pay any tax balance due with the return, no penalty will be charged. However, extension interest on the tax due will be charged at the rate of 12% per year from the original due date of your return to the earlier of the date you file your return or the extended due date.

Prepayment of tax due

If you are applying for an extension of time to file, but you would like to submit a payment for the amount of tax you expect to owe before you file your return, please send your check (or money order) separately with a letter containing the following:

- Your name.
- Your social security number.
- Your address and phone number.
- Statement that your payment is a prepayment of your individual income tax for the 2000 tax year.

Alternatively, you may submit your payment with the 4th quarter estimated tax payment voucher from the 2000 Form 400-ES.

Penalty and interest

The full amount of your tax due must be paid by the due date (without extension) of your North Dakota return to avoid penalty and interest charges. If you obtained an extension of time to file your return, you may pay the tax due by the extended due date of the return without penalty, but extension interest will apply—see **Extension of time to file** on this page.

If you pay your tax due after the due date (or extended due date, if applicable), a penalty equal to 5% of the tax due (with a minimum of \$5.00) will be charged. In addition, interest will be charged at the rate of 1% per month or a fraction of a month (except for the month in which the tax was due) until the tax is fully paid.

Copy of federal return

By law, you must attach a complete copy of your federal income tax return to your North Dakota return. A complete copy consists of Form 1040EZ, 1040A, or 1040 along with any supplemental forms and schedules. You do not have to include depreciation schedules and other statements that you may have prepared as supporting documentation. If you used IRS's TeleFile system, attach a copy of the TeleFile Tax Record that you completed for that purpose.

Correcting your return

If you need to correct your North Dakota return after you file it, you must file an amended return. A separate form is not provided for this purpose. See **How to prepare an amended return** below for step-by-step instructions.

If a correction results in an overpayment of tax, you generally have three years after you file your original return to file an amended return to claim a refund of the overpayment. There are other time periods that may apply, such as in the case of a net operating loss carryback, a 25% overstatement of tax, or an IRS audit. For more information, contact the Office of State Tax Commissioner.

IRS audit or correction

By law, you must file an amended North Dakota return to report changes made to your federal return. This applies whether the changes are attributable to the filing of an amended federal return or an IRS audit. The amended North Dakota return must be filed within 90 days after filing the amended federal return or within 90 days after the final determination of the changes made by the IRS.

How to prepare an amended return

1. Obtain a North Dakota return—either Form 37-S or Form 37—for the tax year affected by the changes.
2. Enter your name, address, social security number, and other information required on the top portion of the return. Use your current address on the amended return.
3. Check the “Amended” box at the top of the return.
4. Complete the return using the corrected information. Complete it through the net tax liability line.
5. On the estimated tax payment line, enter the net tax liability shown on your original return or previously filed amended return.
6. Complete the balance of the return according to the instructions. On an amended return, you may not adjust the amount of any contribution to the Nongame Wildlife Fund or the Centennial Tree Trust Fund, or the amount of an overpayment applied to next year’s estimated tax.
7. Attach a statement explaining why you are correcting your return. If you are correcting your return because of changes made to your federal return, attach a copy of the amended federal return or IRS notice.

Estimated tax requirement

You must pay estimated North Dakota income tax (*using Form 400-ES*) for the 2001 tax year if **all** of the following conditions apply:

1. You are required to pay estimated federal income tax for 2001.
2. Your net tax liability for 2000 is \$200 or more. (*If you were not required to file a North Dakota return for 2000, you do not have to pay estimated tax for 2001.*)
3. You expect to owe (*after subtracting your North Dakota income tax withholding*) at least \$200 in tax for 2001.
4. You expect your North Dakota income tax withholding for 2001 to be less than the smaller of the following:
 - (a) 90% of your 2001 net tax liability.
 - (b) 100% of your 2000 net tax liability.
(*If you changed your legal residence to North Dakota during 2000, the 100% test may not be used, and you must satisfy the 90% test in part a.*)

If you are required to pay estimated tax, obtain *Form 400-ES, Estimated income tax—individuals*. If you paid estimated tax for 2000, a 2001 Form 400-ES will automatically be mailed to you in early 2001.

Which form to use— Form 37-S or Form 37

North Dakota tax law provides for two methods of calculating your individual income tax which are implemented on two different forms. Whether a resident or nonresident of North Dakota, you may use either **Form 37-S (Short form)** or **Form 37 (Long form)**

You choice of forms will affect the amount of your tax!

The two forms (and the two methods represented on them) are governed by different provisions of North Dakota tax law. The tax calculation method and tax rate are different under each method, and you will calculate a different tax under each one. For the majority of filers, the tax will be lowest on Form 37-S.

Another difference between the two forms is that a number of deductions, exclusions, and credits may be claimed only on Form 37. Please note that although you may qualify for one or more of them, in most cases your tax will still be lower on Form 37-S than on Form 37. The only sure way to know which form is best for you is to calculate the tax on both forms and compare the results—use the form that shows the lowest tax liability.

General instructions applicable to both Form 37-S and Form 37

The instructions in this section apply whether you use Form 37-S (Short form) or Form 37 (Long form). To determine which form you should use, see **Which form to use—Form 37-S or Form 37** on this page. Your choice will affect the amount of your tax.

After choosing a form to use, complete the top portion of the form according to the instructions in this section. Complete the remainder of the form according to the applicable instructions as follows:

- **Form 37-S filers**—go to page 6.
- **Form 37 filers**—go to page 8.

Tax year

Your tax year for North Dakota income tax purposes must be the same as the tax year used for federal income tax purposes. For most individuals, this will be a calendar year—January 1 through December 31. A calendar year is assumed unless you enter the dates for a fiscal year at the top of the return.

Name and address (preprinted address label)

If you received a booklet with a preprinted peel-off address label, remove the label from the booklet cover and place it over the name and address boxes on the return. If you do not have a preprinted label, print or type your full name and address in the spaces provided on the return. If you and your spouse are filing a joint return, include your spouse’s full name.

Social security number

Print or type your social security number (and your spouse’s social security number, if married) in the spaces provided on the return. Omitting one or both numbers, or entering an incorrect number, will delay the processing of your return.

Filing status

Check the same filing status that you used on your federal individual income tax return.

Exception: In the case of married persons who file a joint federal return, if one spouse is a resident of North Dakota and the other spouse is a nonresident of North Dakota, special filing procedures apply. Obtain Schedule SF for instructions on how to complete the North Dakota return if this exception applies.

Filing category

Check the "Resident" box if either of the following applies:

- You were a full-year resident of North Dakota.
- You moved into North Dakota during the tax year and changed your legal residence to North Dakota, and you are using the "Resident method" to complete your return. See **Filing procedure for individuals who moved into North Dakota** on page 3 for information on the filing methods available to you.

Check the "Nonresident" box if any of the following apply:

- You were a full-year nonresident of North Dakota.
- You moved out of North Dakota during the tax year and changed your legal residence from North Dakota to another state.
- You moved into North Dakota during the tax year and changed your legal residence to North Dakota, and you are using the "Nonresident method" to complete the return. See **Filing procedure for individuals who moved into North Dakota** on page 3 for information on the filing methods available to you.

Federal estimated tax requirement

If you were required to make a payment of estimated federal income tax for any part of the 2000 tax year, you must check the "Yes" box. This applies whether or not you actually made the required payment. Otherwise, check the "No" box.

Amended and extension checkoffs

Check the "Amended" box *only if* you are completing this return for the purpose of correcting a return you previously filed for the same tax year. See **Correcting your return** on page 5 for information on filing an amended return.

Check the "Extension" box *only if* you attached a federal or North Dakota extension to your return. See **Extension of time to file** on page 4 for more information.

School district code

Go to page 12 and select the code number for the school district in which you resided during the tax year and enter it in the space provided on the return. If you resided in more than one school district during the tax year, enter the code number for the school district in which you resided for the greater amount of time. If you did not reside in any school district during the tax year, enter the code number 54-000.

Income source code

Select the code number from the following list that most closely corresponds to the area from which you derived the majority of your income:

Source of income	Code number
Farming, ranching, or agricultural production	1
Retail, wholesale trade, and eating and drinking places	2
Federal, state, county, city or other government service	3
Public or private education	4
Accounting, legal, health, motel, and other personal or professional services not classified elsewhere	5
Construction	6
Manufacturing	7
Transportation, communication, and public utilities	8
Exploration, development, and extraction of coal, oil, and natural gas	9
Banking, insurance, real estate, and other financial services	10
Military service	11
Retirement (IRA, pensions, and annuities, etc.)	12

Specific line instructions for Form 37-S (Short form)

Important

- Before completing Form 37-S, see **Which form to use—Form 37-S or Form 37** on page 5.
- For instructions on completing the top portion of Form 37-S, see the **General instructions applicable to both Form 37-S and Form 37** on page 5.
- Rounding of numbers is permitted *except* for the tax, credits, withholding, and estimated tax amounts.

Line 1

Federal income tax liability

Enter the amount from your federal income tax return as follows:

- If you used **Federal Form 1040EZ**, enter the amount from line 10.
- If you used **Federal Form 1040A**, enter the amount from line 26.
- If you used **Federal TeleFile**, enter the amount from line K (the "Tax" box) of the TeleFile Tax Record.
- If you used **Federal Form 1040**, complete the worksheet (*below*) to determine the proper amount to enter on line 1, Form 37-S.

Form 1040 filers only:

Worksheet for calculating the federal income tax liability (for line 1, Form 37-S)

- A. Enter amount from line 42, Form 1040
- B. If applicable, enter the amount from line 54, Form 1040
- C. Add lines A and B
- D. If applicable, enter the amount from line 25, Form 8801
- E. Subtract line D from line C. If result is less than zero, enter -0-*
- If resident, enter amount from line E on line 1, Form 37-S.
➤ If nonresident, complete lines F, G, and H below.
- F. If applicable, enter tax from line 30, Form 4972, *but only if you received the distribution while a nonresident of North Dakota*
- G. If applicable, enter taxes from lines 17, 25, 33, 41 and 45, Form 5329
- H. Subtract lines F and G from line E. For *nonresident only*, enter this amount on line 1, Form 37-S

*If applicable, include the tax from Federal Form 4970 and the federal Section 72(m)(5) excess benefits tax in the total entered on this line. See the instructions to Form 1040, line 57, for more information.

Note: North Dakota law provides that, except for the credit for prior year minimum tax, no federal income tax credits are allowed in determining the amount of the federal income tax liability for purposes of Form 37-S.

Line 2

Tax calculation

If you are a resident of North Dakota and you do not have any allowable adjustments on Form 37-S, multiply your federal income tax liability on line 1 by 14% (.14) and enter the result on line 2. If you have an allowable adjustment on Form 37-S, you must complete the Adjustment Schedule (Form 37-S) to calculate your tax. See the Adjustment Schedule (Form 37-S) for a description of the allowable adjustments.

If you are a nonresident of North Dakota, you must complete the Adjustment Schedule (Form 37-S) to calculate your tax. Enter the amount from the Adjustment Schedule (Form 37-S), line 13, on Form 37-S, line 2.

The Adjustment Schedule (Form 37-S) is included in this booklet.

If you are required to use the Adjustment Schedule (Form 37-S), you must attach it to your return.

Line 3

Income tax credits

The following income tax credits are allowed on Form 37-S:

- **Credit for income tax paid to another state**
If you are filing as a resident of North Dakota, you may be eligible for a credit for income tax that you paid to another state. See Schedule 4 in this booklet for details.
- **Family member care credit**
If you paid for the cost of care of a family member to prevent the placement of the family member in a long-term care facility, you may be eligible for a credit. Obtain Schedule FC for details.
- **Renaissance zone tax credits**
Credits are available for certain investments in a North Dakota Renaissance Zone. Obtain Schedule RZ for details.

Line 9

Application of overpayment to next year's estimated tax

If you have an overpayment on line 8, you may elect to apply part or all of your overpayment to your 2001 estimated tax. If you make this election, you may not change the election or the amount you applied after you file your return.

Sample check for direct deposit (line 13, Form 37-S)

Mr. and Mrs. Taxpayer		9999
9999 Main Ave.		
Anytown, ND 99999		15-0000/0000
Pay to		
Order of		\$
		Dollars
Your Bank		
Anytown, ND USA 99999		
Memo		
<div style="display: flex; align-items: center;"> ⑆ 123456789 : 12345678912345678 • 9999 </div>		
<div style="border-top: 1px solid black; width: 100px; margin: 0 auto;"></div> Routing number (Line 13a)	<div style="border-top: 1px solid black; width: 100px; margin: 0 auto;"></div> Account number (Line 13c)	<i>Do not include the check number as part of the account number.</i>

Lines 10 and 11

Voluntary contribution of overpayment

If you have an overpayment on line 8, you may make a voluntary contribution of part or all of your overpayment to the Nongame Wildlife Fund or the Centennial Tree Trust Fund (or both) by entering on the applicable line the amount you wish to contribute. If contributing, you must contribute at least \$1.00. A contribution will reduce the amount of your refund.

- You will not receive a separate notification of when the deposit is made by our office—contact your bank to find out if your refund has been deposited.

Lines 15 and 16

Voluntary contribution

If you have a tax due on line 14, you may make a voluntary contribution to the Nongame Wildlife Fund or the Centennial Tree Trust Fund (or both) by entering on the applicable line the amount you wish to contribute. If contributing, you must contribute at least \$1.00. A contribution will increase your balance due.

Line 17

Balance due

The balance due (including the amount, if any, from line 18) must be paid in full with your return. Make your check or money order payable to "State Tax Commissioner." A late payment is subject to penalty and interest charges—see **Penalty and interest** on page 4.

Line 18

Interest on underpayment of estimated tax

If you were required to pay estimated North Dakota income tax, but you did not pay enough or you paid it late, interest is charged on the underpayment or late payment. To determine if you owe interest, obtain and complete Form 400-UT. An amount on this line will reduce your overpayment or increase your balance due. If lines 8 and 14 are zero, and the amount on this line is at least \$5.00, enclose your check or money order for this amount with your return.

Line 13

Direct deposit of refund

If you want us to deposit your refund directly into your bank account, complete lines 13a, 13b, and 13c. You may want to check with your bank to see if it will accept direct deposit and to obtain the correct routing and account numbers.

Routing number (line 13a)

Enter the 9-digit routing number. The first two digits must be within the range of 01 through 12 or 21 through 32. See the sample check on this page for where to locate the routing number on your check.

Account number (line 13c)

Enter the account number. It may have up to 17 digits (both letters and numbers). If there are less than 17 digits, enter the number starting with the first box on the left. Include hyphens, but omit spaces and special symbols, and leave unused boxes blank. See the sample check on this page for where to locate the account number on your check.

Please note:

- Do not use the numbers shown on a deposit slip for the routing or account numbers.
- If the routing or account number is incorrect, or if your bank will not accept the direct deposit, your refund will be sent to you in the form of a paper check.

Specific line instructions for Form 37 (Long form)

Important

- Before completing Form 37, see **Which form to use—Form 37-S or Form 37** on page 5.
- For instructions on completing the top portion of Form 37, see the **General instructions applicable to both Form 37-S and Form 37** on page 5.

How to complete Form 37

Step 1

Complete the top portion of Form 37 as instructed on page 5.

Step 2

If you checked the “Resident” box under **Filing category** at the top of Form 37, you must complete Schedule 2 (*on the reverse side of Form 37*) according to the instructions on this page.

If you checked the “Nonresident” box under **Filing category** at the top of Form 37, you must complete Schedule NR and Schedule 3 (*which are separate schedules in this booklet*). Schedule NR must be completed first to determine the amounts to enter on lines 1A and 1B of Schedule 3. The instructions for each schedule are found on the back of each respective schedule.

Step 3

Complete the Tax Computation Schedule on the front of Form 37. The instructions for this schedule are on page 10 of this booklet.

Specific line instructions for Schedule 2 (Resident only)

Line 2

Interest from state and local obligations

Except for interest from obligations of the State of North Dakota and its political subdivisions, enter interest income from state and local government obligations which is exempt from federal income tax.

Line 3

State and local income taxes

Enter the amount of state and local income taxes deducted on your federal income tax return. If a portion of your itemized deductions claimed on your federal return was disallowed because your federal adjusted gross income exceeded \$128,950 (\$64,475, if married filing separately), complete the following worksheet:

A	Amount of state and local income taxes from line 5, Schedule A (Form 1040)	_____
B	Amount from line 3 of Federal Itemized Deductions Worksheet in Form 1040 instructions	_____
C	Divide line A by line B	____ . ____
D	Amount from line 9 of Federal Itemized Deductions Worksheet in Form 1040 instructions	_____
E	Multiply line D by line C	_____
F	Subtract line E from line A . Enter this amount on line 3, Schedule 2	_____

Line 4

Other addback adjustments

The following items must be included on this line:

- Lump-sum distribution from a qualified retirement plan that you elected to report on Federal Form 4972.
- Loss from a pass-through entity subject to the North Dakota financial institution tax. If you hold an interest in this type of entity, you should receive a statement from the entity informing you about this adjustment. For more information, obtain the *Income Tax Guideline: Adjustment For Income (Loss) From S Corporation, Partnership or LLC Subject To N.D.C.C. ch. 57-35.3*. **Attach a copy of the statement you received from the entity.**

Line 7

Interest from U.S. obligations

The following items may be entered on this line:

- Interest income from U.S. obligations.
- Interest income from federal securities that is specifically exempted from state income tax by federal statute.
- The portion of dividend income from a mutual fund that is attributable to interest from U.S. obligations and interest from other federal securities that is specifically exempted from state income tax by federal statute.

Following are some of the more common sources of interest income that may be entered on this line:

- U.S. savings bonds.
- U.S. Treasury bonds, bills, and notes.
- Securities issued by the following agencies—

Banks for cooperatives
Commodity Credit Corporation
Federal Deposit Insurance Corporation
Federal Farm Credit System
Federal Home Loan Banks
Federal Intermediate Credit Banks
Federal Land Banks
Federal Savings & Loan Insurance Corporations
Student Loan Marketing Association

Do not enter on this line interest income from securities issued by the following agencies:

Federal Home Loan Mortgage Corporation (Freddie Mac)
Federal National Mortgage Association (Fannie Mae)
Government National Mortgage Association (Ginnie Mae)

Also do not enter on this line interest on a federal income tax refund or interest from a repurchase agreement (whether or not the repurchase agreement involves U.S. obligations).

You must attach a statement to your North Dakota return on which you identify the specific securities from which you derived the interest amount entered on this line. A general description such as “U.S. obligations” is not sufficient. This statement may be omitted if the required information is shown on the copy of your federal income tax return that you attach to your North Dakota return.

If you have a question about whether or not interest income from a source not mentioned in these instructions is taxable or exempt from North Dakota income tax, contact your broker or other issuer of the interest-bearing security for assistance. You may also submit a written request for assistance to the Office of State Tax Commissioner in which you provide the exact name of the security and the name of the federal agency that issued it.

Line 8

Military pay exclusion

Enter up to \$1,000 of your military pay received for active duty service in the U.S. armed forces, or for attending periodic training for drill and instruction as a member of the National Guard or a reserve unit of the U.S. armed forces. This exclusion is allowed only to the extent your military pay is included in federal taxable income (on line 1, Schedule 2).

Line 9**Additional military pay exclusion for overseas duty**

If you are a member of the U.S. armed forces who served overseas for at least thirty days during the tax year, enter up to \$300 of your military pay for each month (or fraction of a month) you were overseas. You are considered to have served overseas if you were stationed outside the United States and the District of Columbia. This exclusion is allowed only to the extent your military pay is included in federal taxable income (on line 1, Schedule 2). The total of this exclusion and the exclusion on line 8 (military pay exclusion) may not exceed the total of your active duty military pay.

Field grade and general officers are not eligible for this exclusion. Field grade and general officers are persons with a rank of: Major or higher in the U.S. Army, Air Force, or Marines; Lieutenant commander or higher in the U.S. Navy; and Surgeon or higher in the U.S. Public Health Service.

Line 10**Military retirement pay exclusion**

If you received military retirement pay for service in the U.S. armed forces (including the Coast Guard) or any of its reserve components, and you are at least 50 years old, enter up to \$5,000 of your military retirement pay. This exclusion is allowed only to the extent your military retirement pay is included in federal taxable income (on line 1, Schedule 2). If you also received social security benefits, you must reduce the amount otherwise deductible on this line by the amount of your social security benefits.

Line 11**Other retirement pay exclusions**

Enter up to \$5,000 of your retirement pay received from the following sources:

- Federal government pension fund
- North Dakota city firefighters relief associations
- North Dakota city police officers pension funds
- North Dakota highway patrol officers retirement system

This exclusion is allowed only to the extent your retirement pay is included in federal taxable income (on line 1, Schedule 2). If you also received social security benefits, you must reduce the amount otherwise deductible on this line by the amount of your social security benefits.

Lines 12, 13, and 14**Beginning farmer deductions**

Deductions are available for selling or leasing farmland to a qualifying beginning farmer. To determine if you qualify, obtain the *Income Tax Guideline: Beginning Farmer Income Tax Deductions*. If you qualify, you must complete a *Beginning Farmer Statement* and attach it to your return.

- **Line 12—Interest income deduction**

Enter interest income derived from a qualifying contract for deed for the sale of 80 or more acres of farmland to a qualifying beginning farmer.

- **Line 13—Rental income deduction**

Enter up to \$25,000 of net rental income derived from a qualifying contract for the lease of 20 or more acres of farmland to a qualifying beginning farmer.

- **Line 14—Gain deduction**

Enter the taxable part of a gain from the sale of 20 or more acres of farmland to a qualifying beginning farmer.

Line 15**Interest from financial institution**

Enter up to \$300 (\$600, if married filing joint) of interest income received from a bank, credit union or similar financial institution located in North Dakota.

Lines 16, 17, and 18**Beginning businessman deductions**

Deductions are available for selling or leasing a revenue-producing enterprise to a qualifying beginning businessman. To determine if you qualify, obtain the *Income Tax Guideline: Beginning Businessman Income Tax Deductions*. If you qualify, you must complete a *Beginning Businessman Statement* and attach it to your return.

- **Line 16—Interest deduction**

Enter interest income derived from a qualifying contract for deed for the sale of a revenue-producing enterprise to a qualifying beginning businessman.

- **Line 17—Rental income deduction**

Enter up to \$25,000 of net rental income derived from a qualifying contract for the lease of a revenue-producing enterprise to a qualifying beginning businessman.

- **Line 18—Gain deduction**

Enter the taxable part of a gain from the sale of a revenue-producing enterprise to a qualifying beginning businessman.

Line 19**Dividend exclusion**

Enter up to \$15,000 of dividend income received from a corporation that has paid North Dakota income tax under N.D.C.C. ch. 57-38 or North Dakota financial institution tax under N.D.C.C. ch. 57-35.3. If the corporation does not conduct 100% of its business in North Dakota, the dividend income must be multiplied by the percentage of business conducted in North Dakota to determine the amount to enter on this line. The percentage is equal to the corporation's apportionment factor reported on the corporation's North Dakota tax return. Contact the corporation to obtain this information.

Line 20**Venture capital investment deduction**

Enter up to \$5,000 (\$10,000, if joint return) of an investment in a North Dakota venture capital corporation formed under N.D.C.C. ch. 10-30.1. If you made an investment in a qualified venture capital corporation, the entity is required to give you an investment reporting form. **Attach a copy of the Venture Capital Corporation Investment Reporting Form to your return.**

Line 23**Other subtract adjustments**

The following items may be entered on this line. Attach a statement to your return explaining each adjustment claimed on this line.

- Exempt income of a Native American. See **Native American exemption** on page 3.
- Retirement, unemployment, and sick pay benefits from the U.S. Railroad Retirement Board which are included in federal adjusted gross income. **Attach a copy of Federal Form RRB-1099, RRB-1099-R, or both.**
- \$1,000 for adopting a child under the age of 21, provided the child qualifies as a dependent on your federal income tax return and the adoption was finalized in 2000.
- Up to \$1,000 of the costs of adopting a child under the age of 21 who is mentally retarded, or is blind or disabled as determined under Title XVI of U.S. Social Security Act, provided the child qualifies as a dependent on your federal income tax return and the adoption was finalized in 2000.
- \$750 for each adopted child under the age of 21 who is mentally retarded, or is blind or disabled as determined under Title XVI of U.S. Social Security Act, provided the child qualifies as a dependent on your federal income tax return.

- Gain recognized on the sale of property due to the exercise of eminent domain.
- Amount of net income from a new or expanding business that is exempted from income tax under North Dakota's new and expanding industry exemption. For more information, obtain the *Application For New And Expanding Industry Exemption*.
- Amount of net income from a business or from investment property that is exempted from income tax under North Dakota's renaissance zone provisions. For more information, obtain the guideline *North Dakota Renaissance Zone Tax Incentives*. **Attach Schedule RZ to your return.**
- Amount of gain from the sale of stock in a corporation that has relocated to North Dakota. The exemption is limited to the excess of the stock's fair market value on the sale date over its fair market value on the date the corporation relocated to North Dakota. For more information, see N.D.C.C. § 57-38-01.18.
- Amount of income from a pass-through entity subject to the North Dakota financial institution tax. If you hold an interest in this type of entity, you should receive a statement from the entity informing you about this adjustment. For more information, obtain the *Income Tax Guideline: Adjustment For Income (Loss) From S Corporation, Partnership or LLC Subject To N.D.C.C. ch. 57-35.3*. **Attach a copy of the statement you received from the entity.**
- State and local income tax refunds reported as income on the federal income tax return, but only if Form 37 (Long form) was filed for the year in which these taxes were deducted on the federal return, and the taxes were added back into income on the state return.

Line 26

Federal income tax

Enter the amount from your federal income tax return as follows:

- If you used **Form 1040EZ**, enter the amount from line 10 **less** line 8a.
- If you used **Form 1040A**, enter the amount from line 33 **less** lines 38a and 39.
- If you used **Federal TeleFile**, enter amount from line K (the "Tax" box) **less** line L, TeleFile Tax Record.
- If you used **Federal Form 1040**, complete the following worksheet to determine the amount to enter on this line:

A	Enter amount from line 51, Form 1040	_____
B	Enter amount from line 43, Form 1040	_____
C	If applicable, enter taxes from lines 4 and 8, Form 5329	_____
D	If applicable, enter the following taxes included on line 57, Form 1040	_____
	• Form 4970 tax	
	• Recapture taxes	
	• Section 72(m)(5) excess benefits tax	
E	Add lines A, B, C, and D	_____
F	If applicable, enter amounts from lines 60a and 62, Form 1040	_____
G	Subtract line F from line E . If result is less than zero, enter -0-. Enter this amount on line 26, Schedule 2	_____

Line 28

Total adjustments from income

Enter the total of lines 7 through 19 plus line 23; however, do not include any of the adjustments for adopted children or the deduction for state and local income tax refunds claimed on line 23.

Specific line instructions for Tax Computation Schedule (Form 37)

Rounding of numbers is permitted except for the tax, credits, withholding, and estimated tax amounts.

Line 3

Credit for income tax paid to another state

If you are filing as a resident of North Dakota, you may be eligible for a credit for income tax that you paid to another state. See Schedule 4 in this booklet for details.

Lines 4 and 5

Credit for contribution to qualifying private high school or college

If you made a charitable contribution to a qualifying nonprofit private high school or college in North Dakota, you may qualify for a credit. Contributions do not qualify unless they are made directly to, or are specially designated for the exclusive use of, a qualifying school. Contributions to a fund that benefits both qualifying and nonqualifying schools do not qualify for the credit. A contribution may be made up to the due date or extended due date of your return. Following are the qualifying schools in each category:

High schools

- St. Mary's Central High School (Bismarck)
- Dakota Memorial High School (Minot)
- Dickinson Trinity High School (Dickinson)
- Shiloh Christian School (Bismarck)
- Shanley High School (Fargo)
- Dakota Adventist Academy (Bismarck)
- Oak Grove Lutheran High School (Fargo)
- Johnson Corners Christian Academy (Watford City)
- Our Redeemer's Christian School (Minot)
- Anne Carlsen School (Jamestown)
- Bishop Ryan High School (Minot)
- Trinity Christian School (Williston)
- Prairie Learning Education Center (Raleigh)

Colleges

- University of Mary (Bismarck)
- Trinity Bible College (Ellendale)
- Jamestown College (Jamestown)
- ND Independent College Fund

The credit allowed for *each* category of school is equal to the lesser of (1) 50% of the contributions made to all schools in the category, (2) 40% of the tax on line 2, Tax Computation Schedule, or (3) \$250.

Enter the amount of the credit on the applicable line. **Attach a statement identifying the institution along with a copy of a receipt or canceled check (front and back).**

Line 6

Long-term care insurance credit

If you paid premiums on a long-term care insurance policy covering yourself, your spouse, child, parent, or stepparent, you are eligible for a credit equal to the lesser of (1) 25% of the premiums paid during the year or (2) \$100 multiplied by the number of qualifying persons covered by the policy. **Attach a statement showing the name of the insurance company, the policy number, and the amount of premiums paid during the year.**

Line 7

Other income tax credits

The following income tax credits are allowed on Form 37:

- You may qualify for a credit if you installed a qualifying geothermal, solar, or wind energy device on property you own in North Dakota. The credit is equal to 5% of the total cost of acquisition and installation in each of three tax years beginning with the year the property is installed. For information on what qualifies, obtain the brochure *North Dakota Tax Incentives For Wind, Solar, Or Geothermal Devices*. **Attach a statement containing a description of the device, a detailed list of the costs of acquisition and installation, and the date the device was completely installed.**

- If you paid wages to a developmentally disabled or chronically mentally ill employee, you are eligible for a credit equal to 5% of the first \$6,000 of wages paid during the first twelve months of employment. In any tax year, the credit must be calculated on the wages paid during the tax year. The amount of the credit allowed in any tax year is further limited to 50% of the tax on line 2. **Attach a statement showing the name and social security number of the employee, the start date of employment, and the amount of wages paid during the tax year.**
- If you paid for the cost of care of a family member to prevent the placement of the family member in a long-term care facility, you may be eligible for a credit. Obtain Schedule FC for details.
- Credits are available for certain investments in a North Dakota Renaissance Zone. Obtain Schedule RZ for details.

Lines 8, 9, 10, and 11

Venture capital investment credits

Credits are available for making an investment in any of the following:

- **Line 8**—North Dakota venture capital corporation formed under N.D.C.C. ch. 10-30.1.
- **Line 9**—North Dakota Small Business Investment Company (SBIC) formed under N.D.C.C. ch. 10-30.2.
- **Line 10**—Certified nonprofit development corporation formed under N.D.C.C. § 10-33-124.
- **Line 11**—Qualified business for purposes of the seed capital investment credit under N.D.C.C. ch. 57-38.5.

If you made an investment in any of the above entities, the entity is required to give you an investment reporting form. The instructions to the investment reporting form explain how to determine the allowable credit. Enter the credit on the applicable line. **Attach a copy of the applicable investment reporting form.**

Line 17

Application of overpayment to next year's estimated tax

If you have an overpayment on line 16, you may elect to apply part or all of your overpayment to your 2001 estimated tax. If you make this election, you may not change the election or the amount you applied after you file your return.

Lines 18 and 19

Voluntary contribution of overpayment

If you have an overpayment on line 16, you may make a voluntary contribution of part or all of your overpayment to the Nongame Wildlife Fund or the Centennial Tree Trust Fund (or both) by entering on the applicable line the amount you wish to contribute. If contributing, you must contribute at least \$1.00. A contribution will reduce the amount of your refund.

Lines 22 and 23

Voluntary contribution

If you have a tax due on line 21, you may make a voluntary contribution to the Nongame Wildlife Fund or the Centennial Tree Trust Fund (or both) by entering on the applicable line the amount you wish to contribute. If contributing, you must contribute at least \$1.00. A contribution will increase your balance due.

Line 24

Balance due

The balance due (including the amount, if any, from line 25) must be paid in full with your return. Make your check or money order payable to "State Tax Commissioner." A late payment is subject to penalty and interest charges—see **Penalty and interest** on page 4.

Line 25

Interest on underpayment of estimated tax

If you were required to pay estimated North Dakota income tax, but you did not pay enough or you paid it late, interest is charged on the underpayment or late payment. To determine if you owe interest, obtain and complete Form 400-UT. An amount on this line will reduce your overpayment or increase your balance due. If lines 16 and 21 are zero, and the amount on this line is at least \$5.00, enclose your check or money order for this amount with your return.

How to assemble your return

To assist us in processing your return as efficiently as possible, please **do not** staple your documents together. Instead, assemble your documents in the order shown in the list below and place them in the envelope loose or with a paper clip.

Please assemble your documents in the following order:

1. Form 37-S or Form 37.
2. Adjustment Schedule (Form 37-S), if required.
3. Schedule 3, if required.
4. Schedule 4, if required.
5. Schedule NR, if required.
6. All other official North Dakota schedules and forms required to be attached (except Form F-101).
7. Form W-2s (and 1099s, if applicable).
8. Copy of federal tax return.
9. Required supporting statements.
10. Copy of other state's return, if Schedule 4 was completed.
11. Copy of federal or North Dakota extension form, if applicable.

Enclose check or money order, or attach it to the front of the return with a paper clip.

Before mailing . . .

- ✓ Check to see if you entered your social security number on the return. If married, include your spouse's social security number.
- ✓ Be sure you affixed the peel-off address label to the front of your return, if you received one. Is your name and address on the label correct?
- ✓ Double-check your math.
- ✓ Make sure you included all of your Form W-2s and any Form 1099 showing North Dakota income tax withheld.
- ✓ Check for all required schedules and supporting statements.
- ✓ Enclose a complete copy of your federal tax return—see **Copy of federal return** on page 4 of this booklet.
- ✓ Sign your return. If filing a joint return, your spouse must also sign.
- ✓ Use adequate postage.
- ✓ Make a copy of the return for your records.

School district codes

North Dakota law requires that the individual income tax form allow for the identification of the school district in which an individual resides. A five-digit number has been assigned to each school district. Find the number opposite the school district in which you resided during 2000 and enter it in the school district code box on your return.

Nonresident filer: If you did not reside in any school district during the 2000 tax year, enter the code number 54-000.

School District	School District	Code No.	School District	School District	Code No.	School District	School District	Code No.																																																																																																																																																																																																																											
Address	Address	Address	Address	Address	Address	Address	Address	Address																																																																																																																																																																																																																											
Adams ND Adams 128 50-128	Hague ND Bakker 10 15-010	Oriska ND Oriska 13 02-103	Alexander ND Alexander 2 27-002	Halliday ND Halliday 19 13-019	Osnabrock ND Osnabrock 1 10-001	Almont ND Sims 8 30-008	Page ND Page 80 09-080	Amidon ND Central Elem. 32 44-032	Hankinson ND Hankinson 8 39-008	Park River ND Park River 78 50-078	Anamoose ND Anamoose 14 25-014	Harvey ND Harvey 38 52-038	Parshall ND Parshall 3 31-003	Ashley ND Ashley 9 26-009	Hatton ND Hatton 7 49-007	Pembina ND Pembina 1 34-001	Baldwin ND Baldwin 29 08-029	Hazelton ND Haz-Mof-Brad 6 15-006	Pettibone ND Pettibone-Tuttle 11 22-011	Beach ND Beach 3 17-003	Hazen ND Hazen 3 29-003	Pingree ND Pingree Buchanan 10 47-010	Belcourt ND Belcourt 7 40-007	Hebron ND Hebron 13 30-013	Plaza ND Plaza 137 31-137	Belfield ND Belfield 13 45-013	Hettinger ND Hettinger 13 01-013	Pollock SD Union 12 15-012	Berthold ND Berthold 54 51-054	Hillsboro ND Hillsboro 9 49-009	Powers Lake ND Powers Lake 27 07-027	Beulah ND Beulah 27 29-027	Hoople ND Valley 12 34-012	Ray ND Nesson 2 53-002	Binford ND Midkota 7 20-007	Hope ND Hope 10 46-010	Regan ND Regan 2 08-002	Bisbee ND Bisbee-Egeland 2 48-002	Hunter ND Northern Cass 97 09-097	Regent ND Regent 14 21-014	Bismarck ND Bismarck 1 08-001	Hurdsfield ND Pleasant Valley 35 52-035	Rhame ND Rhame 17 06-017	Naughton 25 08-025	Inkster ND Midway 128 18-128	Richardton ND Richardton 4 45-004	Apple Creek 39 08-039	Jamestown ND Jamestown 1 47-001	Robinson ND Robinson 14 22-014	Manning 45 08-045	Kenmare ND Kenmare 28 51-028	Rock Lake ND N Central 28 48-028	Bottineau ND Bottineau 1 05-001	Kensal ND Kensal 19 47-019	Rogers ND N Central 65 02-065	Bowbells ND Bowbells 14 07-014	Killdeer ND Killdeer 16 13-016	Rolette ND Rolette 29 40-029	Bowdon ND Bowdon 23 52-023	Kindred ND Kindred 2 09-002	Rolla ND Mt. Pleasant 4 40-004	Bowman ND Bowman 1 06-001	Kulm ND Kulm 7 23-007	Roseglen ND White Shield 85 28-085	Sheets 14 44-014	Lakota ND Lakota 66 32-066	Rugby ND Rugby 5 35-005	Butte ND Butte 62 28-062	Langdon ND Langdon 23 10-023	Sawyer ND Sawyer 16 51-016	Buxton ND Central Valley 3 49-003	Lankin ND Lankin 39 50-039	Scranton ND Scranton 33 06-033	Calvin ND Border Central 14 10-014	Lansford ND Lansford 35 05-035	Selfridge ND Selfridge 8 43-008	Cando ND Southern 8 48-008	Larimore ND Larimore 44 18-044	Sheldon ND Sheldon 2 37-002	Carrington ND Carrington 10 16-010	LaMoure ND LaMoure 8 23-008	Sherwood ND Sherwood 2 38-002	Carson ND Roosevelt 18 19-018	Leeds ND Leeds 6 03-006	Sheyenne ND Sheyenne 12 14-012	Cartwright ND Horse Creek 32 27-032	Lidgerwood ND Lidgerwood 28 39-028	Sidney MT Earl 18 27-018	Casselton ND Central Cass 17 09-017	Lignite ND Burke Central 36 07-036	Bowline Butte 19 27-019	Cavalier ND Cavalier 6 34-006	Linton ND Linton 36 15-036	Solen ND Solen 3 43-003	Center ND Center 18 33-018	Lisbon ND Lisbon 19 37-019	South Heart ND South Heart 9 45-009	Colfax ND Richland 44 39-044	Litchville ND Litchville 52 02-052	Spiritwood ND Spiritwood 26 47-026	Cooperstown ND Griggs County Central 18 20-018	Maddock ND Maddock 9 03-009	St. Anthony ND Little Heart 4 30-004	Crosby ND Divide County 1 12-001	Makoti ND N Shore 158 51-158	St. John ND St. John 3 40-003	Des Lacs ND United 7 51-007	Mandan ND Mandan 1 30-001	St. Thomas ND St. Thomas 43 34-043	Devils Lake ND Devils Lake 1 36-001	Mandaree ND Mandaree 36 27-036	Stanley ND Stanley 2 31-002	Dickinson ND Dickinson 1 45-001	Mantador ND Mantador 5 39-005	Stanton ND Stanton 22 29-022	Dodge ND Dodge 8 13-008	Manvel ND Manvel 125 18-125	Starkweather ND Starkweather 44 36-044	Drake ND Drake 57 25-057	Mapleton ND Mapleton 7 09-007	Steele ND Steele-Dawson 26 22-026	Drayton ND Drayton 19 34-019	Marion ND Marion 9 23-009	Sterling ND Sterling 35 08-035	Driscoll ND Driscoll 36 08-036	Marmarth ND Marmarth 12 44-012	Strasburg ND Strasburg 15 15-015	Dunseith ND Dunseith 1 40-001	Max ND Max 50 28-050	Surrey ND Surrey 41 51-041	Edgeley ND Edgeley 3 23-003	Mayville ND May Port CG 14 49-014	Sykeston ND Sykes 39 52-039	Edinburg ND Edinburg 106 50-106	McClusky ND McClusky 19 42-019	Tappen ND Tappen 28 22-028	Edmore ND Edmore 2 36-002	McKenzie ND McKenzie 34 08-034	Taylor ND Taylor 3 45-003	Elgin ND Elgin-New Leipzig 49 19-049	McLeod ND Salund 10 37-010	Thompson ND Thompson 61 18-061	Ellendale ND Ellendale 40 11-040	McVile ND Dakota Prairie 1 32-001	Tioga ND Tioga 15 53-015	Emerado ND Emerado 127 18-127	Medina ND Medina 3 47-003	Tower City ND Maple Valley 4 09-004	Enderlin ND Enderlin 22 37-022	Medora ND Billings Co. 1 04-001	Towner ND Newport 4 25-004	Fairmount ND Fairmount 18 39-018	Menoken ND Menoken 33 08-033	Trenton ND Eight Mile 6 53-006	Fairview MT Yellowstone 14 27-014	Milnor ND Milnor 2 41-002	Turtle Lake ND Turtle Lake Mercer 72 28-072	Fargo ND Fargo 1 09-001	Milton ND Milton 30 10-030	Tuttle ND Tuttle-Pettibone 20 22-020	Fessenden ND Fessenden 40 52-040	Minnewaukan ND Minnewaukan 5 03-005	Underwood ND Underwood 8 28-008	Finley ND Finley Sharon 19 46-019	Minot ND Minot 1 51-001	Upham ND Upham 29 25-029	Flasher ND Flasher 39 30-039	Nedrose 4 51-004	Valley City ND Valley City 2 02-002	Fordville ND Fordville 79 50-079	Bell 10 51-010	Velva ND Velva 1 25-001	Forman ND Sargent Central 6 41-006	Eureka 19 51-019	Verona ND Verona 11 23-011	Ft. Ransom ND Ft. Ransom 6 37-006	S Prairie 70 51-070	Wahpeton ND Wahpeton 37 39-037	Ft. Totten ND Ft. Totten 30 03-030	Air Force Base 160 51-160	Walhalla ND Walhalla 27 34-027	Ft. Yates ND Ft. Yates 4 43-004	Minto ND Minto 20 50-020	Warwick ND Warwick 29 03-029	Gackle ND Gackle-Streeter 56 24-056	Mohall ND Mohall 9 38-009	Washburn ND Washburn 4 28-004	Garrison ND Garrison 51 28-051	Montpelier ND Montpelier 14 47-014	Watford City ND McKenzie Co 1 27-001	Glen Ullin ND Glen Ullin 48 30-048	Mott ND Mott 6 21-006	West Fargo ND West Fargo 6 09-006	Glenburn ND Glenburn 26 38-026	Munich ND Munich 19 10-019	Westhope ND Westhope 17 05-017	Golden Valley ND Golden Valley 20 29-020	Napoleon ND Napoleon 2 24-002	Wildrose ND Wildrose-Alamo 91 53-091	Golva ND Lone Tree 6 17-006	Neche ND Neche 55 34-055	Williston ND Williston 1 53-001	Goodrich ND Goodrich 16 42-016	New England ND New England 9 21-009	New 8 53-008	Grafton ND Grafton 3 50-003	New Rockford ND New Rockford 1 14-001	Willow City ND Willow City 13 05-013	Nash 51 50-051	New Salem ND New Salem 7 30-007	Wilton ND Montefiore 1 28-001	Grand Forks ND Grand Forks 1 18-001	New Town ND New Town 1 31-001	Wimbledon ND Wimbledon CT 82 02-082	Air Force Base 140 18-140	Newburg ND Newburg United 54 05-054	Wing ND Wing 28 08-028	Granville ND Granville 25 25-025	Northwood ND Northwood 129 18-129	Wishek ND Wishek 19 26-019	Grenora ND Grenora 99 53-099	Oakes ND Oakes 41 11-041	Wolford ND Wolford 2 35-001	Gwinner ND N Sargent 3 41-003	Oberon ND Oberon 16 03-016	Wyndmere ND Wyndmere 42 39-042	Zeeland ND Zeeland 4 26-004

Need forms or assistance?

If you need a form, schedule, or guideline mentioned in this booklet, or if you have a question about preparing your North Dakota return . . .

Call

Toll free (within North Dakota) at:

1-800-638-2901

In the Bismarck-Mandan area, or from outside North Dakota at:

(701) 328-3450

Speech or hearing impaired—call us through Relay North Dakota at:

1-800-366-6888

(Ask for 1-800-638-2901)

Visit our Web site

On our Web site, you will find the following resources:

- Tax forms
- Income tax guidelines
- Electronic filing information
- Income tax statutes
- Calendar of due dates, public meetings, and workshops
- Press releases
- On-line message service

Our Web site address is:

www.state.nd.us/taxdpt

Come in to see us

You may stop in to see us in person at our main office in Bismarck. You will find us in the—

Individual Income Tax Section
State Capitol, 16th Floor
Monday through Friday
8:00 a.m. to 5:00 p.m.

Write

Office of State Tax Commissioner
State Capitol, 16th floor
600 East Boulevard Avenue
Bismarck, ND 58505-0599

E-mail us

You may request forms, ask a question, or send a message via e-mail. Go to our Web site and click on **Feedback** or send your e-mail to **taxinfo@state.nd.us**.

Fax

You may fax us at (701)328-3700.

How to obtain a copy of your return or other information

To obtain a copy of your return or information about your estimated tax payments, etc., you must submit a written request (by mail or fax) to our office. Include the following items in your request:

- Your name(s) and current address.
- Your social security number(s).
- Daytime telephone number.
- Description of the information desired.
- Tax year(s) involved.
- Your signature(s).

Our mailing address and fax numbers are shown to the left.

How to check the status of your refund

You may call our office to check the status of your refund. If you chose direct deposit, please check with your bank to see if your refund has been deposited into your account before calling our office. If you do call our office, please have the following information available:

- Your name.
- Your social security number.
- Your filing status from your return.
- **Exact** amount of your refund.

The above information must match our records or no information will be released.

Allow 6 weeks after filing your return before calling us about your refund.

Need help with your federal return?

If you need federal tax forms, have federal tax questions, or would like to find out where you can find IRS walk-in service, you may contact the IRS in one of the following ways.

Telephone assistance

- **Federal tax questions** **1-800-829-1040**
TTY/TDD **1-800-829-4059**

This is the IRS's toll-free number. Call this number if you have a question about your federal tax return or an IRS notice, need a transcript or copy of your return, or have questions on other federal tax matters.

- **Ordering forms and publications** **1-800-829-3676**
Call this number to order federal tax forms and informational publications.

- **Recorded tax and refund information** **1-800-829-4477**
Call this number to listen to pre-recorded information on a wide variety of federal tax topics or to check on the status of your federal income tax refund. Please allow at least 4 weeks after you file your return (3 weeks if you filed electronically) before calling about the status of your refund, and be sure to have your social security number, filing status, and exact whole-dollar amount of your refund available when you call.

Web site

You may access the IRS's Web site 24 hours a day, 7 days a week, at **www.irs.gov**. It is loaded with information and services.

Walk-in service

In North Dakota, walk-in services are available Monday through Friday, 8:00 a.m. to 4:30 p.m., at the following IRS office locations.

Bismarck

Dacotah Foundation Building
Suite 7A
600 S 2nd St

Fargo

Federal Building
Room 470
657 2nd Ave N

Grand Forks

Federal Building
Room 137
102 N 4th St